

<p>UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY <b>Caption in Compliance with D.N.J. LBR 9004-1</b></p> <p>K&amp;L Gates LLP David S. Catuogno One Newark Center, Tenth Floor Newark, New Jersey 07102 (973) 848-4000 david.catuogno@klgates.com</p> <p>Attorneys for Amazon.com Services LLC</p>	
<p>In re:</p> <p>DEMZA MASONRY, LLC</p> <p>Debtor.</p>	<p>Chapter 7</p> <p>Case No. 21-18868 (CMG)</p> <p>Honorable Christine M. Gravelle</p>
<p>DANIEL E. STRAFFI, CHAPTER 7 TRUSTEE</p> <p>Plaintiff,</p> <p>v.</p> <p>AMAZON.COM SERVICES LLC</p> <p>Defendant.</p>	<p>Adv. Pro. No. 23-01346 (CMG)</p>

**DEFENDANT AMAZON.COM SERVICES, LLC’S ANSWER TO COMPLAINT  
TO AVOID AND RECOVER FRAUDULENT TRANSFERS AND DISALLOW CLAIMS  
PURSUANT TO 11 U.S.C. §§ 544, 548, 550 AND 502(d)**

Defendant Amazon.com Services LLC f/k/a Amazon.com LLC (“**Amazon**”), by and through its counsel of record, submits this answer (“**Answer**”) to Plaintiff Daniel E. Straffi, Chapter 7 Trustee’s (“**Plaintiff**”) Complaint to Avoid and Recover Fraudulent Transfers and Disallow Claims Pursuant to 11 U.S.C. §§ 544, 548, 550 and 502(d) (the “**Complaint**”). Pursuant to Fed. R. Civ. P. 8, incorporated by Bankruptcy Rule 7008, Amazon generally denies each and every allegation of the Complaint that is not expressly admitted herein. To the extent that Amazon

incorporates Plaintiff's headings into this Answer, Amazon does so for organizational purposes only and does not admit any of the allegations in Plaintiff's headings. To the extent allegations exist in any headings that Amazon does not incorporate into this Answer, Amazon denies the allegations in said headings. Amazon does not, and is not required to, respond to statements in the Complaint that are legal arguments or proposed conclusions of law. If an answer to any such allegation is required, Amazon denies each such allegation that is not expressly admitted. Amazon reserves the right to amend its Answer consistent with the facts discovered in this case. Amazon hereby specifically answers the Complaint as follows:

### **JURISDICTION AND VENUE**

1. Answering Paragraph 1 of the Complaint, Plaintiff's statement about the nature of this case speaks for itself and requires no answer. Amazon denies that Plaintiff's claims have merit and that Plaintiff is entitled to relief.

2. Answering Paragraph 2 of the Complaint, Amazon states that the allegations therein call for a legal conclusion for which no response is required.

3. Answering Paragraph 3 of the Complaint, Amazon states that the allegations therein call for a legal conclusion for which no response is required.

4. Answering Paragraph 4 of the Complaint, Amazon states that the allegations therein call for a legal conclusion for which no response is required.

### **PARTIES**

5. Answering Paragraph 5 of the Complaint, Amazon admits that the Plaintiff is the Chapter 7 Trustee for the bankruptcy estate of Demza Masonry, LLC. Amazon states that the remaining allegations call for a legal conclusion for which no response is required.

6. Answering Paragraph 6 of the Complaint, Amazon states that its corporate entity name is Amazon.com Services LLC. Amazon admits that it has a principal place of business at 410 Terry Avenue North in Seattle, Washington and conducts business in New Jersey. Amazon states that the remaining allegations call for a legal conclusion for which no response is required.

#### **NON-PARTIES**

7. Answering Paragraph 7 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

8. Answering Paragraph 8 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

9. Answering Paragraph 9 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

10. Answering Paragraph 10 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

11. Answering Paragraph 11 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

12. Answering Paragraph 12 of the Complaint, Amazon admits the allegations therein.

#### **ALLEGATIONS APPLICABLE TO ALL COUNTS**

*A. The Debtor is the Successor to Speranza Brickwork, Inc.*

13. Answering Paragraph 13 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

14. Answering Paragraph 14 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

15. Answering Paragraph 15 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

16. Answering Paragraph 16 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

17. Answering Paragraph 17 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

18. Answering Paragraph 18 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

19. Answering Paragraph 19 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

20. Answering Paragraph 20 of the Complaint, Amazon states that the complaint filed in the District Court (“**District Court**”) for the District of New Jersey (Case No. 18-17302) speaks for itself.

21. Answering Paragraph 21 of the Complaint, Amazon states that the District Court’s summary judgment order and judgment speak for themselves.

22. Answering Paragraph 22 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

23. Answering Paragraph 23 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

24. Answering Paragraph 24 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

*B. The Debtor, While it was Insolvent, Made Various Transfers to the Defendant With Respect to Obligations Owed by the Principals and/or the Non-Debtor Entities*

25. Answering Paragraph 25 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

26. Answering Paragraph 26 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

27. Answering Paragraph 27 of the Complaint, Amazon states that the Debtor's schedules of assets and liabilities speak for themselves. Amazon is without sufficient information to admit or deny the remaining allegations and therefore denies the same.

28. Answering Paragraph 28 of the Complaint, Amazon states that the proofs of claims filed in the Debtor's bankruptcy case speak for themselves. Amazon is without sufficient information to admit or deny the remaining allegations and therefore denies the same.

29. Answering Paragraph 29 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

30. Answering Paragraph 30 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

31. Answering Paragraph 31 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

32. Answering Paragraph 32 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

33. Answering Paragraph 33 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

34. Answering Paragraph 34 of the Complaint, Amazon admits that one or more Amazon accounts associated with Joseph Speranza was used to purchase products on the Amazon.com store. Amazon denies the remaining allegations on the basis that it is presently

without sufficient information to admit or deny whether the Debtor paid for purchases in connection with Joseph Speranza's Amazon accounts and if it did, the aggregate amount of such transfers.

35. Answering Paragraph 35 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

36. Answering Paragraph 36 of the Complaint, admits that one or more Amazon accounts associated with Joseph Speranza was used to purchase products on the Amazon.com store. Amazon denies the remaining allegations on the basis that it is presently without sufficient information to admit or deny whether the Debtor paid for purchases in connection with Joseph Speranza's Amazon accounts and if it did, the aggregate amount of such transfers.

37. Answering Paragraph 37 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

**FIRST CAUSE OF ACTION**  
**AVOIDANCE AND RECOVERY OF FRAUDULENT TRANSFERS**  
**(11 U.S.C. §§ 544(b) and 550; §§ 25:2-25(a) and 25-2-26)**

38. Answering Paragraph 38 of the Complaint, Amazon incorporates, reiterates, and repeats its answers to the preceding paragraphs as though fully set forth herein.

39. Answering Paragraph 39 of the Complaint, Amazon denies the allegations therein.

40. Answering Paragraph 40 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

41. Answering Paragraph 41 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

42. Answering Paragraph 42 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

43. Answering Paragraph 43 of the Complaint, Amazon denies the allegations therein.

44. Answering Paragraph 44 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

45. Answering Paragraph 45 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

46. Answering Paragraph 46 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

47. Answering Paragraph 47 of the Complaint, Amazon denies the allegations therein. Answering Plaintiff's prayer for relief, Amazon denies that Plaintiff is entitled to relief.

**SECOND CAUSE OF ACTION**  
**AVOIDANCE AND RECOVERY OF FRAUDULENT TRANSFERS**  
**(11 U.S.C. §§ 544 and 550; N.J.S.A. §§ 25:2-25(b) and 25:2-27(a))**

48. Answering Paragraph 48 of the Complaint, Amazon incorporates, reiterates, and repeats its answers to the preceding paragraphs as though fully set forth herein.

49. Answering Paragraph 49 of the Complaint, Amazon denies the allegations therein.

50. Answering Paragraph 50 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

51. Answering Paragraph 51 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

52. Answering Paragraph 52 of the Complaint, Amazon denies the allegations therein.

53. Answering Paragraph 53 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

54. Answering Paragraph 54 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

55. Answering Paragraph 55 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

56. Answering Paragraph 56 of the Complaint, Amazon denies the allegations therein.

Answering Plaintiff's prayer for relief, Amazon denies that Plaintiff is entitled to relief.

**THIRD CAUSE OF ACTION**  
**AVOIDANCE AND RECOVERY OF FRAUDULENT TRANSFERS**  
**(11 U.S.C. §§ 548(a)(1)(B) and 550)**

57. Answering Paragraph 57 of the Complaint, Amazon incorporates, reiterates, and repeats its answers to the preceding paragraphs as though fully set forth herein.

58. Answering Paragraph 58 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

59. Answering Paragraph 59 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

60. Answering Paragraph 60 of the Complaint, Amazon denies the allegations therein.

61. Answering Paragraph 61 of the Complaint, Amazon denies the allegations therein.

62. Answering Paragraph 62 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

63. Answering Paragraph 63 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

64. Answering Paragraph 64 of the Complaint, Amazon denies the allegations therein.

65. Answering Paragraph 65 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

66. Answering Paragraph 66 of the Complaint, Amazon denies the allegations therein.  
Answering Plaintiff's prayer for relief, Amazon denies that Plaintiff is entitled to relief.



**FOURTH CAUSE OF ACTION**  
**AVOIDANCE AND RECOVERY OF FRAUDULENT TRANSFERS**  
**(11 U.S.C. §§ 548(a)(1)(A) and 550)**

67. Answering Paragraph 67 of the Complaint, Amazon incorporates, reiterates, and repeats its answers to the preceding paragraphs as though fully set forth herein.

68. Answering Paragraph 68 of the Complaint, Amazon denies the allegations therein.

69. Answering Paragraph 69 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

70. Answering Paragraph 70 of the Complaint, Amazon denies the allegations therein.

71. Answering Paragraph 71 of the Complaint, Amazon is without sufficient information to admit or deny the allegations therein and therefore denies the same.

72. Answering Paragraph 72 of the Complaint, Amazon denies the allegations therein.

Answering Plaintiff's prayer for relief, Amazon denies that Plaintiff is entitled to relief.

**FIFTH CAUSE OF ACTION**  
**DISALLOWANCE OF CLAIMS**  
**(11 U.S.C. § 502(d))**

73. Answering Paragraph 73 of the Complaint,<sup>1</sup> Amazon incorporates, reiterates, and repeats its answers to the preceding paragraphs as though fully set forth herein.

74. Answering Paragraph 74 of the Complaint, Amazon states that the allegations therein call for a legal conclusion for which no response is required.

Answering Plaintiff's prayer for relief, Amazon denies that Plaintiff is entitled to relief.

**RESERVATION OF RIGHTS**

75. Answering Paragraph 75 of the Complaint, Plaintiff's statement about his reservation of rights speaks for itself and requires no answer.

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<sup>1</sup> Paragraphs 73 through 76 of the Complaint are mislabeled as Paragraphs 232 through 235.

76. Answering Paragraph 76 of the Complaint, Plaintiff's statement about his reservation of rights speaks for itself and requires no answer.

### **AMAZON'S AFFIRMATIVE DEFENSES**

Without assuming Plaintiff's burden of proof on any issue, Amazon alleges the following affirmative defenses. The full extent to which Plaintiff's claims may be barred by one or more affirmative defenses, if not specifically set forth below, cannot be determined until Amazon has had an opportunity to complete discovery. Therefore, Amazon reserves the right to assert additional affirmative defenses in the event discovery indicates that would be appropriate. In addition, Amazon incorporates by reference all affirmative defenses contemplated by the Federal Rules of Civil Procedure and Federal Rules of Bankruptcy Procedure.

#### **FIRST AFFIRMATIVE DEFENSE**

1. The Complaint is barred by Plaintiff's failure to state a claim upon which relief can be granted.

#### **SECOND AFFIRMATIVE DEFENSE**

2. The Complaint is barred by the affirmative defenses contained in 11 U.S.C. §§ 550 and N.J.S.A. § 25:2-30, including affirmative defenses premised on Amazon's statute as a good faith transferee for value.

### **PRAYER FOR RELIEF**

WHEREFORE, Amazon prays for judgment as follows:

- A. Dismissal, with prejudice, of the Complaint.
- B. An award of attorneys' fees and costs incurred in defending this action, to the extent such costs and fees are recoverable by law or in equity.

C. Such other relief that this Court deems just and proper.

Dated: January 16, 2024

By: /s/ David S. Catuogno  
David S. Catuogno  
K&L Gates LLP  
*Attorneys for Amazon.com Services LLC f/k/a  
Amazon.com LLC*